

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

April 23, 2002

Mrs. Billye Sanders
Waller, Lansden, Dortch, & Davis
511 Union Street, Suite 2100
P.O. Box 198966
Nashville, TN 37319-8966

Re: Petition of Chattanooga Gas Company for Approval of Change in Purchased Gas Adjustment
Docket 02-00383

Dear Mrs. Sanders:

In order to consider the Petition of Chattanooga Gas Company (CGC) for Approval of Change in Purchased Gas Adjustment (the Petition), Docket 02-00383, we request the following information. Consider this as Data Request #2.

1. Some gas distributors offer a fixed rate to customers on an optional basis. Would Chattanooga be willing to offer an optional fixed rate?
2. According to CGC's market research, 2/3 of the customers are either indifferent or in favor of the fixed rate program. What percentage of CGC's customers are either indifferent or opposed to the program?
3. In the formula that the company uses to calculate the fixed rate, the Company included the pipeline transportation rate. Is this transportation rate the pipeline tariff rate or the actual rate paid for transportation?
4. Why does the company request a fixed rate when it is reasonably clear that the majority of CGC's customers do not want it or are indifferent toward it?

Please reply by May 15, 2002.

Sincerely,

David Waddell,
Executive Secretary

DMM:bp

DMc02-9CGCfixedrate